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UNITED STATES DEPARTMENT OF AGRICULTURE  
FEDERAL CROP INSURANCE CORPORATION

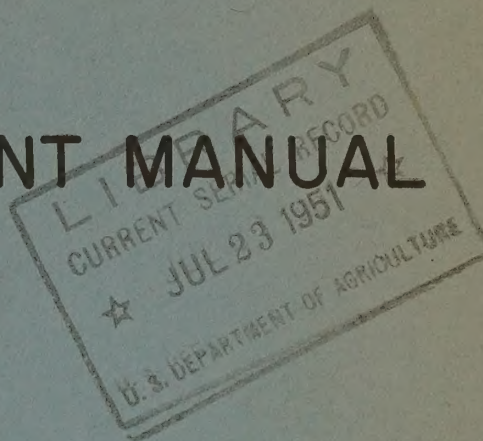
× LOSS ADJUSTMENT MANUAL

FOR

TOBACCO

(FOR 1951 AND SUCCEEDING CROP YEARS) ×

JULY 1951









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## INTRODUCTION

The adjuster should thoroughly familiarize himself with the insurance contract and the general provisions of the program as well as with his responsibilities and those of the state director, district supervisor and county committee in order that he may ably represent the Corporation in his field contacts. In addition he must know the basic principles of loss adjustment contained in the Adjuster's Handbook. Instructions relative to Form 8-Revised, "Notice of Material Damage or Loss" (herein called "Form 8") are contained in General Procedure 8-Revised.

## SECTION I. INSPECTIONS AND PREPARATION OF THE INSPECTION REPORT

### Subsection A. General

#### 1. Insurance Unit

The acreage insured under a contract may consist of one or more insurance units. A loss may occur on one insurance unit of a contract without consideration of the production from other insurance units since losses are adjusted separately for each insurance unit. In adjusting a loss the adjuster will find the acreage and related data listed separately on the acreage report for each insurance unit. However, he must not rely wholly upon these entries but for each loss claim should determine for himself the insurance units for the contract and the acreage and interest in each. Therefore it is essential that the adjuster clearly understands what constitutes an insurance unit.

Only one type of tobacco is included in an insurance unit. The person, or group of persons operating jointly, sharing in the acreage is the other governing factor in determining the acreage constituting an insurance unit. A careful analysis of the definition set forth below will enable the adjuster to determine under any circumstances the acreage which constitutes an insurance unit.

An insurance unit consists of all the insurable acreage of one type of tobacco which is considered for crop insurance purposes to be located in the county, in which one person has the entire interest at the time of planting, or in which two or more persons have the entire interest at the time of planting. All acreage of one type of tobacco in which the insured has 100 percent interest at the time of planting is one insurance unit regardless of the number of farms involved. All acreage of one type of tobacco in which the insured shares at the time of planting with one person, or with one group of persons operating jointly, is one insurance unit.

#### 2. Acreage Not Covered by Insurance

An insurance unit will not include (a) any land which is designated on the county crop insurance map as "unclassified", (b) any land within the county



for which no coverage was established, and (c) the part(s) of county line farms which lie in an adjoining county and for which no coverage was established on the county map of the particular county. Neither does an insurance unit include any acreage planted to tobacco but on which no insurance attached. Classifications of such acreage are as follows:

- a. Any acreage on which the crop is destroyed or substantially destroyed and on which it is practical to replant to tobacco, and such acreage is not replanted to tobacco.
- b. Any acreage which the state director determines was initially planted to tobacco too late to expect a normal crop to be produced.
- c. Any acreage which is destroyed for the purpose of conforming with any other program administered by the United States Department of Agriculture.

None of the above-described acreage shall be included in the measured acreage for an insurance unit in determining the amount of any loss; however, any production from such acreage which is commingled with production from insured acreage shall be considered to have been produced on the insured acreage unless the insured maintained separate acreage and production records which are satisfactory.

### 3. Appraisals of Production for Causes of Loss Not Insured Against

The contract guarantees the insured producer protection against loss of production due to the following causes when unavoidable: drought, flood, hail, wind, frost, freeze, lightning, fire, excessive rain, snow, wildlife, hurricane, tornado, insect infestation, plant disease, and pole-burn. Since the contract insures only against loss of production due to specified causes of loss, it follows that the contract does not cover loss due to any other cause.

In adjusting a loss the adjuster must keep in mind at all times that the contract, in addition to setting forth those unavoidable causes of loss mentioned above, also sets forth many causes of loss which are not insured against. The important thing with respect to loss adjustment is to remember that any cause of loss not insured against by the contract is an uninsured cause of loss, plus the fact that any of the above-specified causes of loss are not insured against if they are due to neglect or wrong-doing of the insured or any other person in his household or employment or connected with the farm as a tenant, sharecropper, or wage-hand.

In every case it must be established whether any part of the loss is due to any cause(s) not insured against. Where any such loss is involved, an appraisal of the amount of production lost due to the uninsured cause(s) of loss must be made. Establishing the amount of this appraisal requires the exercise of sound judgment.

For example, loss due to failure of the insured to take adequate measures to control insect infestation or plant disease, when such measures are practical and have proven effective in the area, is avoidable and is an uninsured cause of loss. On the other hand, loss due to insect infestation or plant disease where the insured carried out adequate



control measures, is unavoidable, and therefore is an insured cause of loss. Where the insured failed to carry out adequate control measures the adjuster must determine what control measures were taken by other farmers in the area and what effect the measures taken had on production and the value of such production in order to determine the uninsured loss.

#### 4. Waiver of Inspection

When a Form 8 received during the growing season does not include a request for release of acreage and the properly authorized person determines that an inspection is not necessary, a letter shall be sent to the insured setting forth the following:

- a. The insured's contract number and the description of the acreage involved;
- b. The reason an inspection is not deemed necessary at that time;
- c. If the tobacco is later materially damaged during the growing season, such damage should be reported in writing to the county office immediately;
- d. If, upon completion of sale of the crop, it appears that his cash return from the insurance unit is less than the coverage for such acreage, the insured should submit another notice of loss within 15 days of his final sale.
- e. If sale of the crop has not been completed by \_\_\_\_\_ (the end  
(date)  
of the insurance period) and a loss is probable, a notice in writing should be given promptly at the county office so that proper appraisals can be made.
- f. Evidence of planting should not be destroyed before an inspection is made by a Corporation representative.

In order that the letter will contain the required information, it should be prepared by the state director and a supply mimeographed. If the district supervisor(s) or the adjuster(s) is authorized by the state director to waive inspections, the mimeographed letters shall be used by them to notify insureds.

This letter shall be prepared in triplicate, the original mailed to the insured, a copy forwarded to or retained by the state director, and a copy filed in the insured's county office folder.

No further action on the part of the adjuster is necessary unless another Form 8 is received or the state director or other authorized person determines that an inspection is necessary.

#### 5. Preliminary Steps Before Inspection

The adjuster shall visit the county office and familiarize himself with all material in the insured's file including correspondence and all Forms FCI-963-T, "Inspection Report for Tobacco", (herein called Form 63) previously prepared,



and shall obtain records and other data which will be helpful to him in making the inspection. This requirement may be waived by the state director if such information otherwise is available to the adjuster or if it is not needed by him in making an early inspection.

6. Inspection Prior to the Time the Acreage Report is Filed

- a. If an inspection is made (1) prior to the date by which the acreage report must be filed for the insured to be eligible for the five percent premium discount, or (2) within 30 days after tobacco planting is generally completed in the county, whichever is later, and the acreage report has not been filed by the insured, the adjuster shall obtain the acreage report and handle the inspection in the regular manner.
- b. If the inspection is made after the time set forth above, and the acreage report has not been filed by the insured, the adjuster shall prepare a Form 63 for each insurance unit (or part thereof, where applicable) in which the insured had an interest at the time of planting. The Form(s) 63 shall be prepared in the regular manner except that no acreage shall be released. This means that no entries are to be made in column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63, (1) the reason why the acreage report was not filed within the time limit set forth above, (2) the estimated total acreage of the insured crop on the unit (or part thereof, where applicable) and the insured's interest therein, (3) the acreage damaged and the extent of damage, including an estimate of probable production, and (4) all other pertinent facts including information as to previous efforts made to secure the acreage report. The case shall be referred immediately to the state director.

7. Inspection After the Acreage Report is Filed

- a. If an acreage report has been filed by the insured prior to the inspection but no part of the insurance unit on which the damage occurred is listed thereon, the adjuster shall prepare a Form 63 for the insurance unit in the regular manner except that no acreage shall be released. This means that no entry is to be made in column C of Form 63 in such cases. The adjuster shall set forth in detail in Part III of Form 63 (1) the insured's reason why the unit was not reported on the acreage report, (2) the estimated total acreage of the insured crop on the unit and the insured's interest therein, (3) the acreage damaged and the extent of the damage, including an estimate of probable production, and (4) all other pertinent facts including full information concerning any other unit for which no data are listed on the acreage report. The case shall be referred immediately to the state director.
- b. If the adjuster finds that the insured has an interest in an additional unit(s) which was not listed on the acreage report and on which no damage has occurred, a Form 63 shall be prepared for the unit in the regular manner and the information requested in paragraph a, above shall be entered in Part III. The case shall be referred immediately to the state director.



- c. In all other cases the inspection report shall be prepared in the regular manner.

## 8. Transfer of Interest Cases

Where the adjuster finds that there has been a transfer of interest after the beginning of planting on the insurance unit but before the beginning of harvest or the time of loss, whichever occurs first, he shall determine whether Form FCI-21-Revised, "Transfer of Interest" (herein called Form 21) has been filed with the county office. The Corporation will accept Form 21 in the case of any valid transfer, if the Form 21 is filed within 15 days after the date of the transfer. However, if more than 15 days has elapsed since the date of the transfer and the adjuster finds that Form 21 has not been filed, he shall inform the transferee that if he desires insurance on the interest transferred he may file Form 21 with the county office or with the adjuster provided that (a) the premium was paid prior to the date of the transfer, (b) there is a satisfactory co-signer to the premium note, or (c) it is during the growing season and the tobacco crop has not been damaged since the date of the transfer.

A transfer of interest will not be recognized if harvest on the insurance unit was begun or the crop was destroyed before the transfer was made. In any case where the transferee has not filed a Form 21 with the county office and does not file one with the adjuster at the time the inspection is made, the adjuster shall prepare a Form FCI-6, "Statement of Facts" (herein called Form 6) containing all the data required to complete a Form 21.

When adjusting a loss in a case where the transfer involves only a portion of the acreage on the insurance unit the adjuster should obtain all basic information on the transferred acreage whether or not an acceptable Form 21 has been executed. This is necessary in order for the Corporation to compute any indemnity which may be due the transferor on the acreage not transferred.

Detailed instructions covering the conditions under which the transferee may obtain insurance and the execution of Form 21 are contained in FCI-General Procedure 8-Revised.

### Subsection B. Preparation of Form 63

#### 1. General

- a. At any time adjusters make early inspections or at any time damage is general in an area, the adjuster shall avail himself of every opportunity to inform insured producers that (1) where any of the crop has been partially destroyed but not released, proper measures must be taken to protect it from further damage, and (2) if insured acreage is put to another use without being released by an adjuster on Form 63, such acreage will be subject to an appraisal at least equal to the coverage therefor.
- b. If an inspection is made the adjuster shall prepare Form 63 in accordance with this subsection for each insurance unit at the time of each inspection of the unit. A separate Form 63 shall be prepared for each part of an insurance unit in the following cases:



- (1) When parts of the unit are located in different coverage and rate areas (herein called "area");
  - (2) When a transfer of interest has been approved involving a part of the acreage or a part of the insured's interest in the crop on the unit;  
or
  - (3) When the insured has different shares in the crop on parts of the unit.
- c. If it is found that an error was made on the Form 63 previously prepared, the correct information, a full explanation thereof, and other pertinent facts shall be recorded on a new Form 63 which shall be labeled "Corrected" in the heading thereof. In such cases the county office copy of the Form 63 previously prepared shall be marked "Superseded" by the adjuster and attached to the "corrected" Form 63.

## 2. Heading

All items are self-explanatory and shall be completed in every case. The area number to be entered in item 3 must be obtained from Form FCI-33-T or from Form FCI-33-T (o), whichever is used in the county. For counties operating under the ownership plan the area number must be followed by a dash and the applicable group number obtained from Form FCI-32-T. In no case shall the acreage report be used as the source of these entries.

## 3. Part I. Fields Containing Damaged Acreage

All acreage figures shall be shown in hundredths of acres.

Data for each field on the insurance unit which contains damaged acreage shall be entered in Part I in the case of preharvest inspections. Data for all fields on the insurance unit may be entered in Part I for preharvest inspections at the discretion of the state director but complete data for all fields on the insurance unit must be entered in Part I when a loss is adjusted. Where there is not sufficient space in Part I to record the necessary data, additional Forms 63 shall be prepared and properly identified as "Continuation Sheet---Page\_\_\_of\_\_\_pages".

Column A: Enter the description, location or other identification of each field. (In counties insuring type 21 tobacco add to the statement above the columnar headings of Form 63 the words "Type 21".)

Column B: Enter the acreage of tobacco in each field identified in column A. Acreages entered when a loss is adjusted must be measured acreages. The adjuster may use acceptable records of measurement on file in the county office.

Column C: Enter the measured acreage of unharvested tobacco which is released in each field. (If no acreage is released enter a zero.) Where the acreage released is only a part of the acreage in a field, the location of the released acreage in the field shall be sketched in the space provided in Part III of Form 63.



The adjuster shall not release any acreage until he determines that:

- a. The tobacco has been destroyed or substantially destroyed. Tobacco is considered substantially destroyed only when it is so badly damaged that farmers generally in the area would not care for, or harvest tobacco similarly damaged, and
- b. It is too late to replant land in the area to tobacco. If farmers in the area are still planting or replanting tobacco it is not too late to replant and, if it is practicable for the insured to replant tobacco on destroyed acreage, he should be notified that unless the acreage is replanted to tobacco it will not be insured acreage. He shall be advised further that if this acreage is not replanted to tobacco no premium will be due and no loss will be payable on such acreage. In such cases if the insured has already filed his acreage report and this acreage is not replanted to tobacco, the adjuster shall obtain a "revised" acreage report.

It is extremely difficult to determine potential production from acreage of tobacco which has been badly damaged prior to the general time of harvest. In determining whether such acreage has been substantially destroyed within the definition stated in a. above the adjuster must examine similarly damaged crops over a wide area and determine what most farmers are doing, and plan to do, with such crops. Great care must be exercised in making this determination. In some cases it may be impossible to make this determination and a second inspection should be made a few days later. In any case where the adjuster determines that the crop on any acreage has been so badly damaged that farmers generally in the area would not further care for or harvest such acreage he should release the acreage whether or not the insured has requested such release.

Where acreage is released on the basis of 65 percent coverage and such acreage later is harvested the 65 percent coverage cannot be changed to 100 percent coverage unless it is determined that the released acreage was not substantially destroyed and should not have been released. If the adjuster finds that released acreage has been harvested an explanation of the case, including the production actually harvested from the acreage and the value thereof, any unharvested production, and other pertinent facts, shall be recorded on Form 63 being prepared at the time. The case shall be referred to the state director immediately.

Column D: Enter the acreage released after the beginning of harvest on the insurance unit. (This column is applicable only to types 11, 12, 13, 14, 21, 22, 23, 31, 35, and 36 tobacco.) For tobacco of any of these types the 65 percent limitation of coverage does not apply to released acreage which is destroyed or substantially destroyed after the beginning of harvest on the insurance unit. ("Harvest" means any severance of the tobacco plant from the land, except that with respect to types 11, 12, 13, and 14, "harvest" means the first priming.) If the adjuster is unable to establish on the basis of visible evidence available at the time of inspection that the acreage was destroyed or substantially destroyed after the beginning of harvest on the insurance unit,



the acreage shall be considered to have been destroyed or substantially destroyed before the beginning of harvest on the insurance unit and no entry shall be made in column D for that acreage.

Column E: Enter the insured cause(s) of damage to the tobacco in each field of damaged tobacco and the percent of damage due to each cause.

If any of the damage was caused by fire the adjuster should ask the insured if the tobacco also was insured with a fire insurance company. If it is not so insured a statement to that effect should be entered in Part III. If it is so insured the adjuster shall follow the procedure set forth in Section II, D, 6.

If the adjuster determines that any of the damage is due to causes not insured against, the extent of such damage and any pertinent facts shall be entered in Part III. Any uninsured cause of damage and the necessary appraisal per acre shall be discussed with the insured while the evidence is still visible.

Column F: Enter the date of damage to the tobacco in each field in which damage occurred.

#### 4. Part II. Determination of Production and Value Thereof

The production to be accounted for in Part II shall include the shares of all persons having an interest in the crop on the unit (or part thereof).

Routine completion of Part II shall not be considered adequate to determine the quantity of tobacco harvested on the unit (or part thereof). The reasonableness of the reported production as related to the acreage harvested shall be considered and the stalks and other evidence of the quantity of production shall be examined. The adjuster shall fully satisfy himself by such other investigation as may be necessary, that the yield appears to be consistent with the yield of comparable land in the area.

In order to be sure that all production is accounted for, the adjuster must examine all sales receipts, production records, marketing quota records and warehouse records where the adjuster feels that such action is necessary.

In cases involving any acreage to which insurance does not attach, as set forth in Section I, A, 2, hereof, if the insured has failed to keep separate records of production for the uninsured acreage and has failed to keep such production separate from the production from the insured acreage, the production for the unit shall include any of the production from such uninsured acreage which is commingled with production from the insured acreage. If separate records have been kept and they appear to be correct and acceptable, or if the production has been kept separate the total production from the unit shall not include any production from such uninsured acreage.

Any harvested tobacco which is destroyed by fire or any other insured cause(s) during the insurance period would not be considered as production except where an insured has filed with the county office a request that his contract be amended to exclude protection against such cause of loss while the tobacco is in the barn.



Item 7: Columns A and B: Enter in column A the total number of pounds of tobacco harvested from the insurance unit and sold on the warehouse floor. Enter in column B the cash returns from the sale of such tobacco, which shall include any marketing quota penalty withheld upon the sale thereof. The amount advanced by a growers' organization on tobacco received as collateral for a price support loan will be considered by the Corporation as the cash return from the sale of such tobacco. (The cash returns shall be determined by subtracting the customary warehouse charges, such as weighing fee, commissions, and handling charges, from the gross sales price of the tobacco.)

Column C: If due to an uninsured cause there is a deterioration in the quality of any of the tobacco sold on the warehouse floor, the adjuster shall determine the cash value of the loss due to such uninsured cause. The amount so determined shall be added to the entry in column B and the result entered in column C. In addition, the number of pounds, the value of the appraisal, and the reason for the adjustment shall be shown in Part III. Where no such adjustment is necessary, the entry in column B shall be entered in column C.

In cases where the tobacco produced on the insurance unit is divided on the crop share basis among the producers, the entry for column C will be that determined for the number of pounds of tobacco shown in column A on the basis of the value of this tobacco at the time the insured sold his share or at the end of the insurance period if the tobacco has not been sold, considering the cash returns from each different grade and quality of this tobacco. Any such figure shall be adjusted, where applicable, in accordance with the above paragraph, and the reason for the adjustment and the extent thereof shall be shown in Part III.

Item 8: To the left of column A and in columns A and B: Enter to the left of column A the name and address of the person(s), if any, to whom any tobacco harvested from the insurance unit was sold other than on the warehouse floor. Enter in column A the number of pounds of tobacco sold to such person(s) and in column B the amount received from the sale of such tobacco to each such person.

Column C: The entry for column C shall be determined in accordance with the applicable of the following.

- a. Where the tobacco is sold to an established tobacco company, the entry for column C shall be determined in accordance with instructions for item 7, column C, above.
- b. Where the tobacco is not sold to an established tobacco company, the entry for column C shall be the sum of:
  - (1) The fair market value of any such tobacco which is not available for inspection by the adjuster which shall be the larger of (a) the amount actually received therefor, or (b) the product of the number of pounds not available for inspection and the average market price established by the Corporation for that type of tobacco; (In the case of investment insurance the price per pound stated on the county actuarial table for such type of tobacco shall be used as the average market price); and



- (2) The fair market value of any such tobacco which is available for inspection by the adjuster, (which shall be the larger of (a) the amount actually received therefor in case it has been sold or (b) the product of the number of pounds available for inspection and the price per pound determined by the adjuster to be a fair price for such tobacco).

This sum shall be adjusted, where applicable, in accordance with the instructions for item 7, column C, above.

Item 9: Columns A and C: Enter in column A the number of pounds of tobacco harvested from the insurance unit which has not been sold and in column C the fair market value thereof, adjusted, if applicable, in accordance with the instructions for item 7, column C, above.

If it becomes necessary in states where tobacco is not normally sold through auction warehouses, for the Corporation to obtain title to any tobacco in accordance with provisions contained in Section 17(b) of the policy, special instructions should be obtained from the state director for the handling of such cases.

Item 10: To the left of column A: Enter in the spaces provided to the left of column A the acreage on the insurance unit on which unharvested tobacco remains in the field and the appraised yield of unharvested tobacco per acre.

Columns A and C: Enter in column A the product of the number of acres containing unharvested tobacco and the appraised yield per acre therefor, and in column C the appraised cash value thereof.

Verification of Computations. After all of the entries and computations have been made as provided above, they shall be rechecked for accuracy and for completeness.

#### 5. Part III. Adjuster's Narrative Report

Part III shall be prepared each time an inspection of the insurance unit is made. The state director shall outline for the adjuster the information which the state director thinks the Corporation will need in the final determination of the loss, if any, and instruct the adjuster to enter in Part III whatever of that information is available.

Also, enter in Part III any causes of damage not included in Part I and the dates thereof. When any damage is due to an uninsured cause, enter a full explanation and set forth the extent of such damage, including the number of acres damaged and the appraised loss per acre due to such damage. A notation describing the condition of all the acreage of the insured crop on the farm which is not accounted for in Part I shall be included in Part III.

Part III of each Form 63 prepared in connection with a loss claim also shall include the date of the insured's final sale of his tobacco crop.



Where an inspection is made during the growing season, the adjuster shall determine whether the number of acres of the insured crop in all fields or tracts on the insurance unit approximates the reported acreage for the insurance unit as shown on Form 8. If, in his opinion, there is a substantial difference between the two figures, an explanation of why such difference exists shall be entered in Part III.

If the field identification shown in column A of Part I does not agree with Marketing Quota records or other available sketch of the unit, it will be necessary for the adjuster to sketch the location of the unit in the space provided. The identification of each field sketch shall correspond with that shown in column A of Part I.

Part III should be complete enough for a person not familiar with the case to understand the case after reviewing Form 63.

## 6. Signature and Date

After all necessary entries and computations have been made on Form 63 as provided in this section they shall be checked for accuracy. The adjuster shall also make certain that all necessary entries have been made. After this has been done and the adjuster is satisfied that the form is complete and correct in every respect he shall sign the form in the space provided and enter the date on which the inspection is made.

The signature of the insured should be obtained unless it is impractical to do so. However, when acreage is released and it is impractical to obtain the insured's signature, a statement explaining why his signature was not obtained shall be included in Part III. Copies of Form 63 shall be distributed in accordance with Section V, hereof.

## SECTION II. ADJUSTMENT OF CLAIMS

### Subsection A. General

#### 1. Responsibilities of the Insured

- a. The insured (or the transferee where an approved Form 21 is on file) is required to notify the county office immediately after any material damage to the insured crop during the growing season if a loss is probable.
- b. The insured (or the transferee) is required to submit a notice of loss within 15 days after completion of sale or other disposal of the tobacco crop, or in the case of yield-quality insurance within 15 days after the date the market price of tobacco is available in the county, if this date is after the completion of sale. If this notice is not given within this 15-day period the Corporation reserves the right to reject any claim for indemnity. This provision is essential in order that inspections may be made while the facts can best be determined.



(In counties where tobacco is not sold through auction warehouses, the state director will issue supplemental instructions relative to the submission of notices of loss after curing of the tobacco but before the sale of the crop.)

- c. If a loss is sustained, the insured (or the transferee) shall submit a claim for loss on Form FCI-967-T, "Statement in Proof of Loss for Tobacco" (herein called Form 67) within 60 days after the damage occurred in cases where all of the acreage on the insurance unit is released. In cases where the tobacco is harvested and is sold or otherwise disposed of, the claim for loss shall be submitted not more than 60 days after the date upon which the last tobacco from the insurance unit was sold or otherwise disposed of, or, in the case of yield-quality insurance, within 60 days after the date the market price of tobacco became available in the county, if this date is after the completion of sale. However, no no event may a claim for loss on harvested acreage (whether or not the tobacco crop has been disposed of) be approved when submitted later than the following applicable date unless such date is extended in writing by the Corporation.

<u>Type of Tobacco</u>	<u>Date</u>	<u>Type of Tobacco</u>	<u>Date</u>
11.....	February 28	31.....	April 15
12.....	January 31	35.....	April 15
13.....	November 30	36.....	April 15
14.....	November 30	41.....	May 31
21.....	March 31	51.....	March 31
22.....	May 15	52.....	March 31
23.....	May 15	54.....	May 31
		55.....	May 31

- d. The insured (or the transferee) shall establish that the amount of any loss for which claim is made has been directly caused by one or more of the hazards insured against by the contract during the term thereof, and that the loss has not arisen from or been caused by, either directly or indirectly, any of the hazards not insured against.
- e. If the insured (or the transferee) refuses or neglects to act in accordance with a, b, or c, above, the assignee, if any, should take the action required of the insured (or transferee).

## 2. Responsibilities of the Adjuster

- a. In making each inspection in connection with a claim for loss, the adjuster shall determine from the date of the Form 8 whether the notice of loss was filed in the required period as set forth above. If it was not filed within this period the case shall be handled as provided in Section III, hereof.
- b. The adjuster shall not complete a Form 67 until (1) he has established the identity of the acreage constituting the unit and has inspected all fields or tracts in the unit, (2) he has verified the area(s) in which the acreage is located, (3) he has accurately determined the acreage planted to tobacco



on the unit and has established the insured's share in the crop, (4) he has verified to his satisfaction that all of the production for the unit has been reported, (5) he has determined the total value of the production from the unit, (6) he has made any necessary appraisals of production per acre, including appraisals for uninsured causes of loss, (7) he has determined all causes of loss and that the loss claim is due to unavoidable causes which are insured against, and (8) he has, where all acreage is released, determined that no tobacco will be harvested from the unit. Generally unless the crop is completely destroyed there is a possibility of harvest until the acreage is plowed or a killing frost occurs. If for any of the above reasons the adjuster is unable to complete the Form 67, the case shall be handled in accordance with subsection F of this section.

- c. The adjuster shall prepare Form FCI-26, "Adjuster's Report" in connection with each Form 67 filed. The Form 26 shall be attached to the related Form 67 when it is submitted to the state director.
- d. In any case where a timely notice of loss is filed by the insured, the adjuster shall not refuse to assist the insured in filing Form 67 even though he feels that the claim has no merit and cannot recommend approval of the claim.
- e. Where the adjuster finds that the acreage report is in error with respect to the area number, or group number, where applicable, the insurance unit number, or other data which would change the liability of the Corporation, the Form 67 shall be prepared on the basis of the facts and a Form 6 clearly pointing out and explaining the difference shall be prepared and attached to the Form 67.

#### Subsection B. General Instructions Applicable to Preparation of Form 67

- 1. A separate Form 67 (or a "master" and "supplemental" Forms 67, where subsection D of this section applies) shall be prepared for each unit on which a loss is claimed.
- 2. All acreage figures on Form 67 shall be shown in hundredths of acres.
- 3. In connection with any computation, rounding shall be performed as follows: Carry the computation one digit beyond the digit to be rounded. If the last digit is 5 or larger, round upward; if the last digit is 4 or smaller, disregard it.
- 4. Where the insured commingles production from two or more insurance units and fails to establish and maintain separate records (satisfactory to the Corporation) of production for each unit and all the acreage from which production is commingled is insured, the case shall be handled in accordance with subsection D of this section.

Where the insured fails to establish and maintain separate records (satisfactory to the Corporation) of production from "unclassified" or other uninsured acreage and such production is commingled with production from insured acreage, the production from such uninsured acreage will be considered to have been produced on the insured acreage and the loss adjusted in the usual manner.



However, if in either of the above cases the adjuster feels that insurance with respect to such units should be voided for the current crop year, he shall prepare Form 6, setting forth the facts which he feels justify this action and his recommendation. When Form 6 is prepared in such cases the adjuster should not sign Form 67. If the insurance for such units is voided, the insured may still be required to pay the current premium.

5. The insured and the adjuster certify only to the basic data appearing on Form 67, which include the measured acreages, the insured interest, the total harvested production, the appraisals of production, the value of the production, and the cause(s) of damage. Therefore, the adjuster shall complete Form 67 only to the extent provided herein.
6. Where it appears that there will not be a loss on the unit, or where the insured requests information as to the approximate indemnity he may expect to receive, the adjuster may perform the necessary computations on a scratch pad, using the instructions printed on the back of Form 67, and may inform the insured of the approximate amount of any indemnity before any deduction for indebtedness. If there is no loss, the adjuster should explain to the insured why there is no loss.
7. In all cases the insured shall be advised that the required computations will be made by the Corporation and that his copy of Form 67 will be mailed to him after the audit is completed.
8. Where a statement of facts is required Form 6 should be used to record the necessary information. In cases where more than one statement of facts is required, all such statements may be entered on the same Form 6, insofar as space permits.

#### Subsection C. Preparation of Form 67 for Usual Cases

1. The instructions set forth in this subsection apply in all cases where (a) the same coverage per acre is applicable to the entire insurance unit, (b) the insured has the same share in all the tobacco acreage on the unit, and (c) there has been no transfer of interest in the tobacco crop on the unit. In all other cases Form 67 shall be prepared in accordance with the applicable paragraph of subsection D of this section.
2. Form 67 shall be prepared as follows:
  - a. Heading
    - (1) The entries for the heading are self-explanatory. The name of the insured entered on Form 67 must agree with the name as it appears on the application unless the name of a legal representative, transferee or assignee is entered, in which case a Form 6 fully explaining the difference in names shall be attached to Form 67. In these cases the contract number entered on Form 67 shall be the same as that shown on the application signed by the original insured. See Section II, A, 1, e, for the conditions under which an assignee may file Form 67.



If another insured has a contract covering the insurance unit and a loss is involved, the adjuster should prepare a complete set of loss forms for such other insured(s).

- (2) In counties operating under the ownership plan the name of the owner of the land at the time of planting shall be entered in the space for "Name and location of farm".

b. Boxes

Boxes A, B, and C: To be completed only where all or a part of the unit is on a farm where the allotment has been knowingly overplanted. (See subsection D, 4, of this section.)

Box D: Enter the reported acreage of tobacco on the insurance unit as shown on the acreage report.

Box E: Enter the measured acreage planted to tobacco on the insurance unit (excluding any acreage on which no insurance has attached). This acreage shall be accurately determined by the adjuster unless acceptable records of measurement are on file in the county office. All possible use shall be made of permanent field acreages established under other agricultural programs and on file in the county office. Measuring equipment shall be checked for accuracy and corrected, where necessary, prior to its use..

Where applicable the adjuster shall notify the insured of the following:

- (1) If the measured acreage is less than the reported acreage, the loss, if any, will be settled on the basis of the measured acreage and the premium adjusted accordingly;
- (2) If the measured acreage exceeds the reported acreage, the loss which would otherwise be determined will be reduced proportionately unless the provisions of paragraph (3) below are applicable;
- (3) Where different premium rates are established for parts of the unit or the insured has different shares in the crop on parts of the unit, the loss on the measured acreage will be reduced on the basis of the ratio of the premium computed for the reported acreage to the premium computed for the measured acreage.

Box F: Enter the number of the area in which the unit is located as shown on the county crop insurance map. (For counties in which the coverage is based on ownership of land, this entry shall be followed by a dash and the applicable coverage group number.)

Where the same coverage per acre applies to all of the acreage of tobacco on a unit but different premium rates are applicable to parts of this acreage enter above box F the acreage in each area followed by a dash (-) and the area number. For example: 4.0 - 1, and 2.0 - 2.



Box G: In the case of yield-quality insurance, enter the market price per pound of tobacco as established by the Corporation. In the case of investment insurance make no entry in box G.

Box H: Enter the insured interest (100%, 66.7%, 50%, 33.3%, etc.) of the insured in the crop on the unit, which shall be the smallest of (1) his share in the crop at the time of planting, or (2) his reported share in the crop as shown on the acreage report, or (3) his share in the crop at the beginning of harvest or the time of loss whichever occurs first. Where the insured interest in box H differs from the reported share shown on the insured's acreage report, Form 6 explaining the difference shall be attached.

c. Part I. Acreage

Instructions for completing Part I are printed on the back of Form 67 and will not be repeated in this procedure. In addition the following important points shall be kept in mind:

- (1) In no case will there be an entry in both item 1 and item 2.
- (2) The sum of the entries in item 1 or item 2, whichever is applicable, and item 3, must equal the measured acreage in box E.

d. Part II. Actual and Appraised Production and Value Thereof

Instructions for completing Part II are printed on the back of Form 67 and will not be repeated in this procedure. In addition the following important points shall be kept in mind in preparing Part II:

- (1) The information on Form 63 shall be used in determining the entries for Part II of Form 67.
- (2) The harvested production and the value thereof to be entered in items 4, 5, and 6 must include the total production of tobacco on the insurance unit for all persons sharing in the crop.
- (3) In making any necessary computations as outlined herein, round to whole pounds or cents following each computation.
- (4) If an appraisal has been made for uninsured cause(s) of loss the adjuster shall make certain that proper appraisals are entered in item 9 for such cause(s) of loss not insured against. (See the policy for causes of loss not insured against.)
- (5) If it becomes necessary in states where tobacco is not normally sold through the auction warehouse for the Corporation to obtain title to any tobacco in accordance with the provisions contained in section 17(b) of the policy, special instructions should be obtained from the state director for handling such cases.



- (6) Item 8: For investment insurance the pound equivalent of the coverage per acre will be obtained by dividing the coverage by the price per pound shown on the county actuarial table for that type of tobacco.

In the case of investment insurance the price per pound stated on the county actuarial table shall be used as the average market price.

- (7) Item 9: Entries in this item apply only to loss of production prior to harvest. Loss in value of production which occurs after harvest will be determined in accordance with instructions pertaining to Part II, column C, of Form 63.

e. Parts III and IV

Instructions for completing these parts are printed on the back of Form 67 and will not be repeated in this procedure.

f. Part V. Causes of Damage Insured Against

Enter the primary and any secondary insured cause of damage, the percent of contribution of each such cause to the total indemnity payable on the unit due to causes insured against, and the approximate date each such cause of damage occurred. No uninsured cause of loss shall be entered in Part V.

The entries for "Estimated Percent Contribution" should total 100 percent. The various insured causes of damage (except when avoidable) are listed below and shall be used as a guide to uniformity:

Drought	Hot Winds (including excessive
Hail	heat)
Fire	Windstorm
Weeds and Grasses (resulting from	Cold Weather
insured causes of loss and not	House or Pole-Burn
due to poor farming practices)	Rust or Wildfire
Flood (overflow or backwater)	Root Rot
Standing surface water (seepage	Wilt
and delayed run-off)	Plant Diseases (excluding rust,
Excessive Moisture (excluding	wildfire, root rot, and wilt)
standing surface water)	Leaf Worm
Frost, Freeze, Snow	Insects (excluding leaf worm)

If fire is entered as a cause of damage in either of items 18, 19, or 20, and the tobacco also was insured with a fire insurance company, follow instructions set forth in subsection D, paragraph 6, of this section.

If any part of the loss is due to an act of a person(s), the adjuster shall prepare a Form 6 setting forth all pertinent facts including the name of the person(s), if possible, and the amount of production lost due to the damage caused by such person(s). The Form 6 shall be attached to Form 67.



g. Part VI

Item 21: By signing Form 67 the insured certifies to the basic data appearing on the form and transfers to the Corporation any claim he may have against any person(s) for damage to the crop to the extent that payment for loss resulting from such damage is made to the insured by the Corporation. The insured shall be informed of all the conditions of the certification as set forth in the "Adjuster's Handbook".

Enter in the space provided either "yes" or "no" to the question whether a collateral assignment is outstanding. If a Form FCI-20, "Collateral Assignment", approved by the Corporation, is on file in the county office, the word "no" shall not be entered until the adjuster determines that the assignee has released the assignment in writing. Where "yes" is entered, and the insured wants the assignee to be paid separately to the extent of the cash amount of the assignment, or a lesser amount, a statement to this effect, signed by the insured, must accompany the Form 67. If the statement provides for the issuance of a separate check to the insured and a separate check to the assignee for an amount less than that shown on the assignment, it must also be signed by the assignee. If no such statement is attached, a joint check will be issued.

The adjuster shall review Form 67 and determine that all necessary entries have been made thereon and shall discuss all appraisals and other basic data with the insured before it is signed by him. After the form is filed by the insured, no person has authority to change or enter thereon any basic data. If after the form has been filed by the insured it is found that any of the basic data shown thereon are incorrect, the case shall be handled in accordance with the procedure set forth in Section III, subsection A, hereof.

The insured (or other eligible claimant) shall sign and enter the date in the spaces provided in item 21. Before signing, he should be cautioned that his signature must agree with the name in the heading of Form 67, and where applicable, with his signature on the application. The signature must actually be affixed by the person whose name appears in the heading of Form 67, or by his authorized representative.

If the signature of the insured is affixed in a representative capacity, the adjuster must determine that a power of attorney or other acceptable evidence is on file in the courthouse or the county office authorizing the person to sign in the capacity in which he signs.

Item 22: The adjuster shall not approve the Form 67 until (1) he has made the determinations required in subsection A, 2, of this section, (2) all basic data have been entered thereon, and (3) it has been signed by the insured. If, after the insured has signed the form, the adjuster can certify to the statements in item 22, he shall sign and date the form in the spaces provided.

Item 23: This item is for the use of the state director.



h. Box Designated "For Branch Office Use Only"

The adjuster shall make no entries in this box which will be used by the Corporation in notifying state and county offices of changes in the premium for the contract in each case where the premium computed for the measured acreage shown on Form 67 is less than the premium computed for the reported acreage, thus eliminating the preparation of "revised" acreage reports by the Corporation.

Subsection D. Preparation of Form 67 for Unusual Cases

1. Where the Insured has Different Shares in Parts of the Tobacco Crop on the Insurance Unit

A separate Form 67 shall be prepared for each acreage on the unit on which the insured has a different share. (For example: If the insured has 50 percent interest in 4 acres of tobacco and 25 percent interest in 8 acres of tobacco on the same unit, one Form 67 shall be prepared for the 4 acres and another Form 67 shall be prepared for the 8 acres.) The word "Supplemental" shall be entered immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by the word "Master" entered immediately above the title. These "supplemental" forms and "master" form shall be prepared as follows:

a. "Supplemental" Forms

(1) Heading: Complete the heading in the usual manner.

(2) Boxes: Boxes A, B and C: Entries will be made in these boxes only in connection with instructions set forth in paragraph 4 of this subsection.

Boxes D and E: Enter the reported acreage and the measured acreage respectively, for the part of the unit covered by the "supplemental" form.

Box F: Complete this box in the usual manner.

Box G: Complete this box in the usual manner.

Box H: Enter the insured interest in the acreage covered by the "supplemental" form.

(3) Parts I and II: Enter all the data applicable to the acreage covered by the "supplemental" form.

(4) No other entries shall be made on the "supplemental" form.

b. "Master" Form

(1) Heading: Complete the heading in the usual manner.



- (2) Boxes: Boxes A, B, and C: Entries will be made in these boxes only in connection with instructions set forth in paragraph 4 of this subsection.

Boxes D and E: To obtain the entry for each of these boxes for the "master" form, add the entries for that box appearing on all "supplemental" forms covering parts of the unit, and enter the sum thereof on the "master" form.

Box F: Complete this box in the usual manner.

Box G: Complete this box in the usual manner.

Box H: Enter the word "Varying".

- (3) Parts I and II: To obtain each of these items for the "master" form, add the entries for that item appearing on all "supplemental" forms covering parts of the units, and enter the sum thereof on the "master" form.

- (4) Complete the "master" form in the usual manner. It will not be necessary for each "supplemental" form to be signed by the insured, provided the "master" form is signed.

2. Where Different Coverages Per Acre Have Been Established for Parts of the Insurance Unit

A separate Form 67 shall be prepared for the acreage of tobacco on each part of the unit for which a different coverage per acre has been established. In addition, if the insured has different shares in parts of the tobacco to which the same coverage per acre applies, a separate Form 67 shall be prepared for each acreage in which the insured has a different share. The word "supplemental" shall be written immediately above the title on each of these forms. After the "supplemental" forms have been prepared as provided below, the entries thereon shall be summarized and entered on a Form 67 which shall be identified by entering the word "Master" immediately above the title.

The "supplemental" forms and the "master" form shall be prepared as follows:

a. "Supplemental" Forms

- (1) Complete the heading in the usual manner.
- (2) Boxes: Boxes A, B and C: Entries will be made in these boxes only in connection with instructions set forth in item 4 of this subsection.

Boxes D and E: Enter the reported acreage and the measured acreage respectively, for the part of the unit covered by the "supplemental" form.

Box F: Enter the area (or group) number applicable to the part of the unit covered by the "supplemental" form.

Box G: Complete this box in the usual manner.

Box H: Enter the insured interest in the acreage covered by the "supplemental" form.

- (3) Parts I and II: Enter all the data applicable to the acreage covered by the "supplemental" form.
- (4) No other entries shall be made on the "supplemental" form.

b. "Master" Form

- (1) Heading: Complete the heading in the usual manner.
- (2) Boxes: Boxes A, B and C: Entries will be made in these boxes only in connection with instructions set forth in item 4 of this subsection.

Boxes D and E: To obtain the entry for each of these boxes for the "master" form, add the entries for that box appearing on all "supplemental" forms covering parts of the unit, and enter the sum thereof on the "master" form.

Box F: Enter the area numbers for all "supplemental" forms covered by the "master" form.

Box G: Complete this box in the usual manner.

Box H: Complete this box in the usual manner unless the insured has varying interests, in which case enter the word "Varying".

- (3) Parts I and II: To obtain each of these items for the "master" form add the entries for that item appearing on all "supplemental" forms covering parts of the unit, and enter the sum thereof on the "master" form.
- (4) Complete the "master" form in the usual manner. It will not be necessary for each "supplemental" form to be signed by the insured provided the "master" form is signed.

3. Where There has been a Transfer of Interest in the Tobacco Crop on the Insurance Unit

The contract provides that in the event of a transfer of interest, the Corporation shall not be liable for a greater indemnity than would have been paid had the transfer not taken place. Transfers shall be handled in accordance with the applicable of paragraphs a, b, or c, below, except that where a Form 21 has not been approved by the Corporation, the adjuster shall not be permitted to approve Form 67.



a. Transfer of All or a Part of the Insured Interest in All of the Insured Acreage on the Unit

Prepare Form 67 in the usual manner, except that the name of the insured and the insured interest, (box H) shall be determined on the basis of the insured interest of the original insured and the information shown on Form 21 if one has been approved by the Corporation.

b. Transfer of All of the Insured Interest in a Part of the Insured Acreage on the Unit

(1) If neither paragraph 1 nor paragraph 2 of this subsection applies and only one transfer has been made:

(a) Draw a vertical line through the center of columns A and B.

(b) To the left of the vertical line enter the data for the entire unit.

(c) To the right of the vertical line enter the data for one of the following: (1) If the transferee is submitting the claim, enter the data for the acreage transferred, or (2) if the transferor is submitting the claim, enter the data for the acreage not transferred.

(d) Otherwise prepare the Form 67 in the usual manner.

(2) If neither paragraph 1 nor paragraph 2 of this subsection applies, and two or more transfers have been made:

(a) Prepare a Form 67 for each individual (transferor and transferee) who has an insured interest under the contract at the time of loss. These forms shall be prepared in the usual manner except that the words "Transfer of Interest -- data for part of insurance unit", shall be entered above the title.

(b) Prepare a Form 67 covering the entire unit. The words "Transfer of Interest -- data for entire insurance unit" shall be entered above the title of the form. It should be prepared as if no transfer of interest had taken place and should be completed only through Part II.

(c) All Forms 67 prepared for the parts of the unit as well as the one prepared for the entire unit shall be submitted together.

c. Where there is a Transfer of Part of the Insured Interest in a Part of the Insured Acreage on the Insurance Unit, or where there is One or More Transfers and Paragraph 1 or Paragraph 2 of this subsection Applies to the Original Insured

(1) Prepare a Form 67 for:

- (a) The insured acreage on the unit for each individual transferor or transferee (and, where applicable, each acreage on the unit on which each individual has a different share or for which a different coverage per acre has been established).
- (b) If more than one Form 67 is prepared for the same insured, a "master" form shall be prepared consolidating such data.
- (c) The entire unit as if no transfer had taken place.

(2) Prepare these Forms 67 in accordance with the instructions contained in paragraph 3, b, (2) above.

4. Where All or a Part of the Insurance Unit is on a Farm Where the Allotment has been Knowingly Overplanted

If it is determined by the committee that the allotment for any such farm(s) was knowingly overplanted, the instructions set forth below shall be followed:

a. Where All of the Insurance Unit is Located on One Farm

Prepare Form 67 in the usual manner except that box A, box B, and box C shall be completed as follows:

- (1) Box A: Enter the farm allotment for the type of tobacco covered by the Form 67.
- (2) Box B: Enter the measured acreage of the type of tobacco covered by Form 67 which was planted on the entire farm.
- (3) Box C: Determine and enter the insured acreage for the insurance unit as follows: Divide the allotment for the farm (box A) by the planted acreage for the farm (box B) carrying the result to three decimal places; (i.e., .921). Multiply the factor thus obtained by the entry in box E, and enter in box C the smaller of (a) the result thus obtained or (b) the entry in box D.

b. Where Parts of the Insurance Unit are Located on Two or More Farms

(1) Prepare a Form 67 for:

- (a) The insured acreage on each such farm which is determined to be knowingly overplanted. The notation "Supplemental - portion overplanted" shall be entered immediately above the title on each such form. These forms shall be prepared in the usual manner, except that boxes A, B, and C shall be completed as set forth in paragraph 4, a, of this subsection.



(b) The insured acreage on the remainder of the insurance unit. The notation "Supplemental - portion not overplanted" shall be entered immediately above the title on this form, and the form shall be prepared in the usual manner except that the smaller of the entries in boxes D and E shall be entered in box C.

(2) Prepare a Form 67 for the entire insurance unit. The notation "Master - overplanted" shall be entered immediately above the title on this form, and the form shall be prepared as follows:

(a) Heading. Complete the heading in the usual manner.

(b) Boxes

Boxes A and B: Make no entries in these boxes.

Box C: Add the entries appearing on all the supplemental forms for box C and enter the sum thereof in box C on the "master - overplanted" form.

Boxes D through H: Complete in the usual manner.

(c) Parts I and II: To obtain each of these items for the "master - overplanted" form, add the entries appearing on all the supplemental forms for that item and enter the sum thereof on the "master - overplanted" form except that no entries shall be made in the spaces provided for appraisal per acre to the left of column A in Part II.

(d) Complete the "master - overplanted" form in accordance with instructions in subsection C of this section. It will not be necessary for each supplemental form to be signed by the insured provided the "master - overplanted" form is signed.

5. Where the Insured Commingles Production from Two or More Insurance Units and Fails to Maintain Acceptable Records of Production for each Insurance Unit and All the Acreage from which Production is Commingled is Insured

a. Prepare Form(s) 67 for each insurance unit in accordance with subsection C of this section, or paragraphs 1, 2, 3, or 4 of this subsection, whichever is applicable, except as follows:

(1) In addition to any identification of the form as required above, enter the words "Part of a combination" immediately above the title on each of these forms.

(2) Enter the word "Commingled" in column A of item 4, 5, and 6, where applicable, on each of these forms.

b. Prepare a Form 67 consolidating the data for all of the units in accordance with paragraph 1, 2, 3, or 4 of this subsection, whichever is applicable, except as follows:

- (1) Enter the words "Master - Combination" immediately above the title on this form.
- (2) The insurance unit numbers of all units involved shall be entered in the space provided.
- (3) Delete the word "Reported" over box D and insert above the deletion the word "Insured".
- (4) Enter in box D the sum of the insured acreages for all the units involved. (The insured acreage for each unit is the smaller of the entry in box D and the entry in box E on the form prepared for the entire unit.)
- (5) Enter in column A of items 4, 5, or 6, as applicable, all of the production and in the corresponding line of column B the value of the production shown in column A.

6. Where Fire was a Cause of Damage and the Insured Also was Insured with a Fire Insurance Company

If any part of the tobacco destroyed by fire also was insured with a fire insurance company, the adjuster should proceed with the inspection in the regular manner. He also should determine the number of pounds of tobacco destroyed by fire. If possible, he should then contact the adjuster of the fire insurance company with the view of the two adjusters agreeing on the number of pounds of tobacco destroyed. After the value of such tobacco can be determined the two adjusters should, if possible, agree on the value of the destroyed tobacco in order that the fire insurance company and the Corporation may be in agreement concerning the total loss due to fire.

In any case where tobacco destroyed by fire is covered by both a fire insurance company and the Corporation, in addition to preparing Form 63 the adjuster shall prepare a Form 6 containing the following information:

- a. The name of the fire insurance company involved.
- b. The address of the home office of the fire insurance company.
- c. The number of the fire policy under which the tobacco was insured.
- d. The date the policy was issued.
- e. The name and address of the adjuster who inspects the loss for the fire insurance company.
- f. The estimated number of pounds and value of the production from the insurance unit destroyed by fire. If production from two or more insurance units was destroyed by the same fire, show (a) the total loss due to fire and (b) the amount of fire loss on the insurance unit for which the loss is being adjusted.



In determining the value of production destroyed by fire, the adjuster shall use the value per pound established by the fire insurance company unless he disagrees with such value. If the same value per pound is used by both adjusters this fact shall be so stated on Form 6. If the Corporation's adjuster disagrees with the value per pound established by the fire insurance company, he shall include on the Form 6 an explanation of how he determined the value per pound.

If there is a loss under the Corporation's contract, Form 6 also shall contain the following information:

- g. Identify each "curing barn" in which production from the insurance unit normally is placed and state the amount of private fire insurance on tobacco in each such barn.
- h. Identify each "pack barn" (if any) in which production from the insurance unit normally is placed and state the amount of private fire insurance on tobacco in each such barn.

NOTE: In "g" and "h" above, if any barn included tobacco from two or more insurance units, the private coverage for such barn applicable to the insurance unit for which the loss is being adjusted shall be determined as follows: Divide the measured acreage for the insurance unit by the total acreage involved and round the resulting factor to three decimal places. Multiply the amount of private coverage on the tobacco in the barn by this factor and use the result as the amount of private coverage (for the barn) applicable to the insurance unit.

- i. If the fire resulted from an act of any person, give the facts in the case, including the name of the person, if known.

In all cases where tobacco destroyed by fire was covered by a fire insurance policy and the Corporation's policy, the adjuster shall prepare a Form 67 in the regular manner as soon as all the necessary information is available. If no loss has occurred under the Corporation's contract, the Form 67 nevertheless shall be prepared but the insured's signature need not be obtained thereon. Where there is no loss under the Corporation's contract the adjuster shall so inform the insured. Where there is a loss under the Corporation's contract the adjuster shall inform the insured that (1) the actual amount of loss will be computed by the state office and (2) the Corporation will pay its proportionate part of the fire loss, not to exceed the amount of loss computed under the contract.

All forms prepared in accordance with this subsection shall be transmitted to the state director immediately in accordance with Section V hereof so that the amount of loss can be computed and the fire insurance company informed as to how much fire loss the Corporation will pay, in order that the fire insurance company will not be unduly delayed in making settlement. These forms shall be transmitted even though there is no loss under the contract.

#### Subsection E. Other Unusual Cases

If a case arises which because of some special circumstance is meritorious but which is not specifically covered by this procedure, or if the application of this procedure results in an undue hardship on the insured, the case should be submitted in accordance with General Procedure 4.

#### Subsection F. Cases Where Insured and Adjuster Cannot Agree

If the insured and the adjuster cannot agree on the basis of settlement of a loss claim the case shall be referred to the supervisor. If the insured and the supervisor cannot agree, two Forms 67 shall be prepared, one showing the data submitted by the insured and signed only by him, and the other showing the data determined by the supervisor and signed only by him. The supervisor shall submit both forms to the Director in accordance with General Procedure 4. If the insured does not file his Form 67 at that time he shall be notified by the supervisor that Form 67 must be filed not later than 60 days after the time of loss. Every effort should be made to handle these cases as promptly and speedily as possible.

#### Subsection G. Transmitting Forms 67 to the State Director

The adjuster shall forward daily to the state director all copies of all completed Forms 67. All copies of any related form(s) prepared as provided in this procedure shall be attached securely to the Form 67.

### SECTION III. CORRECTED FORMS 67, DELAYED NOTICE OF LOSS OR FORMS 67

#### Subsection A. Corrected Forms 67

If, after a Form 67 has been filed by the insured it is found that the basic data thereon are incorrect because of a bona fide error on the part of the insured or the adjuster, a corrected Form 67 (plainly marked "Corrected" in the heading thereof) shall be prepared and signed by the insured and the adjuster. (However, unless the correction would change the indemnity as much as \$5.00, a "corrected" Form 67 may not be approved by the state director.) In addition, the adjuster shall prepare Form 6 fully explaining how the error occurred and including all facts pertinent to the case. The Form 6 shall be attached to the "corrected" Form 67 and transmitted promptly to the state director, together with the Form 67 originally filed by the insured, if such form has not already been transmitted. In no case shall the Form 67 originally filed by the insured be destroyed.

If after a Form 67 has been filed by the insured it is found that the basic data thereon are incorrect and it appears that the insured may have acted in bad faith by concealing some material fact, the adjuster shall prepare a Form FCI-6 setting forth all pertinent facts regarding the case. This Form 6 shall be transmitted promptly to the state director. If the insured wishes to file a "corrected" Form 67 in such cases, the adjuster shall not sign such form but shall attach thereto the Form 6. The Form 67 originally filed by the insured shall of course be transmitted promptly to the state director in all cases, if such form has not already been transmitted.



It will not be necessary to prepare a "corrected" Form 67 if the basic data on the original form are correct and settlement has been made in a lesser amount than the correct indemnity and the insured is requesting the additional amount.

Subsection B. Delayed Notice of Loss

In any case where a notice of loss is filed more than 15 days after completion of sale or other disposal of the tobacco crop, or in the case of yield-quality insurance, more than 15 days after the market price became available in the county, if this date is after the completion of sale, the adjustment shall be handled in the following manner:

1. If this notice was given more than 15 days after the applicable data determined above but in sufficient time for a Form 67 to be filed within 60 days after such date but not later than the final date set forth in the policy for filing loss claims in the county, the insured shall be informed of the requirements of the contract set forth above for giving notice immediately after the completion of sale or other disposal of the crop. The adjuster shall request the insured to submit along with the Form 67, if one is filed, a statement showing the reasons for the delay in filing a notice of loss. In these cases, the adjuster shall prepare a Form 6 showing (a) whether he was able to accurately determine the actual acreage, (b) the method used in determining the actual production, (c) the method used in determining the value of all production, (d) whether he is entirely satisfied that all production was accounted for, (e) whether he feels certain that he is able to ascertain the extent of any uninsurable cause of loss and the method of making per acre appraisals for such causes, (f) in what respect the evidence with regard to acreage and production is or is not as satisfactory as it would have been if the notice had been submitted within 15 days, (g) the date the Form 8 was filed, and (h) any other facts which the adjuster considers pertinent to the case.
2. Where it is evident when the adjuster receives Form 8 that it will not be possible for the insured to file Form 67 within the time limit set forth in paragraph 1. above, he should act under existing instructions from the state director in such cases or request instructions from the state director as to whether he should make an inspection.

Where it is not evident at the time the adjuster receives the Form 8 that it is too late for the insured to file a Form 67 within the time limit set forth in paragraph 1. above, but he finds upon inspection that the notice was given too late to permit the inspection to be made and the Form 67 to be filed within this period, the adjuster shall make the inspection, prepare Form 63 and obtain from the insured a written statement as to the reasons for the delay in filing the notice of loss, and submit the case to the state director for consideration without preparing a Form 67. However, if the insured insists upon filing a Form 67 in cases of this kind, he should be permitted to do so but he should be informed of the provision for promptly reporting any loss to the county office, and the time limit set forth in paragraph 1. above for filing a Form 67, but the adjuster should not sign these Forms 67 indicating his approval.



### Subsection C. Delayed Forms 67

The contract provides that the Form 67 shall be filed not later than a specified date, depending on the type of tobacco involved, unless the time for filing the claim is extended in writing by the Corporation. An extension of this time limit will not be made except in the most meritorious cases. Where a Form 67 is submitted more than 60 days after the completion of sale or other disposal of the tobacco crop or more than 60 days after the amount of loss can be determined in the county or later than the final date set forth in the policy for filing loss claims in the county, the adjuster shall request the insured to submit along with the Form 67 a statement showing the reasons for the delay in order that a determination may be made as to whether the extension is to be granted. In these cases the adjuster shall submit a statement on Form 6 giving all of the information requested in subsection B. 1. of this section.

### SECTION IV. SETTLEMENT OF LOSS CLAIMS

The adjuster shall inform the insured that any claim for indemnity submitted in accordance with the contract and applicable procedures will be paid by the issuance of a check by the Corporation payable to and mailed to the person(s) entitled to such payment under the contract.

### SECTION V. DISTRIBUTION OF FORMS

The following distribution shall be made of the forms used in this procedure:

#### Form 63

The state office copy shall be forwarded to the state director.

The insured's copy shall be given to the insured at the completion of the inspection.

The county office copy shall be filed in the insured's crop insurance folder on file in the county office.

#### Form 67

The adjuster shall forward daily all copies of Form 67, including the insured's copy, to the state director.

After a review thereof has been made by the Corporation, the insured's copy will be mailed to him, the state office copy will be filed in the related folder, and the county office copy will be forwarded to the county office for filing in the insured's crop insurance folder after any necessary corrections in the premium as are indicated at the bottom of Form 67 are made on county office records of the insured's premium account.



Form FCI-15-Revised, "Transmittal Sheet"

Form FCI-15 will be prepared by the state director. The branch office copy shall be forwarded to the branch office together with Forms 67 and any attachments. The county office copy shall be forwarded to the county office. The state office copy shall be retained and filed in the state office.





